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February 10, 2004

STATE EXHIBIT NO. 3

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APPLICATION

Honorable James H. Welsh Commissioner of Conservation Louisiana Office of Conservation P. O. Box 94275 Baton Rouge, LA 70804

Re:

19100' TUSC Sand, Reservoir A

Profit Island Field

Pointe Coupee and West Baton Rouge Parishes, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of **PENNINGTON OIL & GAS INTERESTS**, **LLC**, for the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of orders pertaining to the following matters relating to the **19100' TUSC Sand, Reservoir A**, in the Profit Island Field, Pointe Coupee and West Baton Rouge Parishes, Louisiana:

1. To redefine the existing 19100' Tuscaloosa Sand, Reservoir A, insofar and only insofar as Sand Unit T is concerned, as being that gas and condensate bearing sand encountered between the depths of 18,330 feet and 20,500 feet, electrical log measurements, in the Chevron USA - Hurst Ricard No. 1 Well, located in Section 49, Township 5 South, Range 11 East, Pointe Coupee Parish, Louisiana.

- 2. Simultaneously, to confirm the exterior boundaries of the 19100 TUSC RA SUT for this newly defined interval to be identical to those established by Order No. 1075-A, creating said unit;
- 3. To confirm the designation of Pennington Oil & Gas Interests, LLC as unit operator for this unit;
- 4. To confirm the designation of the Pennington Oil & Gas Interests, LLC Bueche Heirs No. 1 Well as the substitute unit well for this unit:
- 5. To extend to this unit, except to the extent they are in conflict herewith, the pertinent provisions of Office of Conservation Order No. 1075-A Series of Orders;
- 6. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The 19100' Tuscaloosa Sand, Reservoir A, in the Profit Island Field, was originally defined in Office of Conservation Order No. 1075, effective September 18, 1979, and redefined in the 1075-A series of orders, being last re-defined in Office of Conservation Order No. 1075-A-6, effective October 3, 1995.

The 19100'Tuscaloosa Sand, Reservoir A, within and only within the existing 19100 TUSC RA SUT, is hereby re-defined as that gas and condensate bearing sand encountered between the depths of 18,330 feet and 20,500 feet, electrical log measurements, in the Chevron USA - Hurst-Ricard No. 1 Well, located in Section 49, Township 5 South, Range 11 East, Pointe Coupee Parish, Louisiana.

Insofar as Sand Unit T is concerned, Applicant is proposing to raise the top of the defined interval from 18,442 feet up to 18,330 feet and to lower the base of the defined interval from 20,000 feet down to 20,500 feet in the above identified Hurst-Ricard No. 1 well. Thus, the top of the defined sand is raised 112 feet and the base is lowered 500 feet.

The pre-application conference tentatively scheduled for February 16, 2004 <u>WILL</u> <u>NOT BE HELD</u>, as it was not requested within the delays provided for by the Rules of Procedure; therefor, no opposition to this Application at the hearing is anticipated.

Pertinent data relating to the proposed application can be obtained, AT THE COST OF THE REQUESTING PARTY, by contacting Harold P. "Chip" Leblanc, Jr., Leblanc Geological, Inc., 3500 N. Causeway, Suite 405, Metairie, LA 70002, phone (504) 828-8700.

There is attached hereto and made a part hereof a plat outlining the 19100 TUSC RA SUT and a list of the names and addresses of the interested parties to whom this unitization proposal is being sent. Pursuant to the Revised Rules of Procedure, such list of parties is being furnished ONLY to the Commissioner of Conservation. However, the list of parties will be provided to any party requesting a copy of it. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

Finally, there is enclosed a check in the amount of \$755.00, made payable to the Louisiana Office of Conservation, in payment of the required hearing application fee.

Very truly yours,

. RANDALL C. SONGY

RCS/jdl/elg/bad

Enclosures

cc: Mr. Richard Hudson, District Manager

Office of Conservation

cc: All Interested Owners, Interested Parties and

Represented Parties

P.S. To all Interested Owners, Represented Parties and Interested Parties:

You may have received this Application even though your property is not included in the proposed unit, because the Revised Rules of Procedure require us to attempt to also notify everyone owning an interest in the area "proximate to" the proposed units.

Your receipt of this Application does not require you to take any action. It is meant to notify you of these proceedings so that you have the opportunity to participate if you so desire.

